

December 24, 2010

Notice of Posting of Extraordinary Loss in Electronics and Display Operations

AGC Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (“AGC”) announces that the company will post an extraordinary loss of approximately 9.5 billion yen in connection with the permanent closure of the furnaces for CRT glass production and the termination of sales of CRT glass products at one of its subsidiary, Hankuk Electric Glass Co., Ltd. (“Hankuk Electric Glass”). This decision will result in the complete withdrawal of the AGC Group from CRT glass business.

In addition, the company will also post an extraordinary loss of approximately 7.5 billion yen from the impairment accounting applied to part of its fixed assets in Electronics and Display Operations.

There will be no revision to AGC’s consolidated business forecast the year ending December 31, 2010.

1. Extraordinary loss from Hankuk Electric Glass Co., Ltd. (“Hankuk Electric Glass”)’s withdrawal from CRT glass business

(1) Reason for permanent closure of the manufacturing facilities

Today, flat panel display (FPD) such as LCD and plasma display has become the mainstream for PC and TV applications, and demand for CRT glass, which is manufactured by our subsidiary Hankuk Electric Glass, is experiencing a sharp downturn. Based on our judgment that the demand for CRT glass has no prospect for recovery, we have decided to permanently terminate the production and sales of CRT glass at Hankuk Electric Glass. Following the shutdown of the production facilities and the termination of sales of CRT products, the AGC Group will completely withdraw from CRT glass business. An extraordinary loss of approximately 9.5 billion yen will be posted due to this closure.

(2) Overview of Hankuk Electric Glass

Corporate name	: Hankuk Electric Glass Co., Ltd.
Location	: 150 Gongdan-dong, Gumi-si, South Korea
Representative’s name and title	: Hiroaki Aimu, Chairman
Business operation	: Manufacture and sale of CRT glass
Capital	: 40,366,875,000 won

(3) Operating results

	Hankuk Electric Glass Co., Ltd. (a) Year ended Dec 31, 2009	Asahi Glass Co., Ltd. (b) Year ended Dec 31, 2009	Ratio (a/b)
Net sales	128,889 million won (10,169 million yen) *	1,148,198 million yen	0.89%
Operating income	7,297 million won (575 million yen) *	86,682 million yen	0.66%
Ordinary income (△loss)	△116,996 million won (△9,230 million yen) *	87,207 million yen	—
Net income (△loss)	△124,135 million won (△9,794 million yen) *	19,985 million yen	—

(* 1won = 0.0789yen, as of Dec 2009)

(4) Schedule

Extraordinary shareholders' meeting at Hankuk Electric Glass: January 27, 2011

Termination of CRT glass business (last day of sales): End of February 2011 (provisional)

AGC is currently examining a future operation policy of Hankuk Electric Glass.

2. Impairment loss of fixed assets in electronics related materials business

Following a declining profitability of electronics related materials business, AGC has decided to apply impairment accounting to part of its fixed assets. Consequently, the company is expected to post an extraordinary loss of approximately 7.5 billion yen.

3. Impact on AGC's operating results

AGC is expected to post an extraordinary loss of approximately 17 billion yen for the year ending December 31, 2010. The company will not revise its consolidated business forecast which was issued on November 5, 2010.

<Inquiries>

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